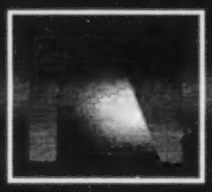

# Northwest Territories Community Futures Program

## Annual Report

to March 31, 2007

February, 2008

If you would like this information in another official language, call us.

Si vous voulez ces informations en français, contactez-nous.

Kīspin ki nitawihtin ē nīhīyawihk ōma ācimōwin, tipwāsinān.

UVANITTUAQ ILITCHURISUKUPKU INUVIALUKTUN, QUQUAQLUTA.

ʔERIIHTĮ́ ́ÍS DĘNE SÚŁINÉ YATI T'A HUTS'ELKÉR XA BEYÁYATI THEʔĄ ʔAT'E, NUWE TS'ĘN YÓŁTI.

EDI GONDI DEHGÁH GOT'ĮE ZHATIÉ K'ÉĘ́ EDATŁ'ÉH ENAHDDHĘ NIDE.

K'ÁHSHÓ GOT'ĮNE XƏDƏ́ K'É HEDERI ʔEDĮ́HTŁ'É YERINIWĘ́ NÍDÉ DÚ̀LE.

JII GEENJIT GWICH'IN ZHIT GAVISHINDAI' NIINDHAN JI'. NIKHWETS'ĄT GINÒHKHII.

TŁĮCHǪ YATI K'ÈÈ. DI WEGODI NEWǪ DÈ. GOTS'O GONEDE.

ᑕᓂᐊ ᑎᑎᖅᑲᓪᓚᑦ ᐱᓕᒪᔪᐱᑦ ᐃᓄᖅᑐᓕᖅᓯᒪᓕᓗᑎᑦ, ᐅᓪᓗᑎᒻᒥᑦ ᐅᖃᓕᓂᐊᕐᓂᑦ

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

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867-873-7361

# HIGHLIGHTS

- The Government of the Northwest Territories (GNWT) provided $1,144,125 in contributions to cover Community Futures Corporation (CFC) operations in 2006/2007, up from $907,875 the previous year.
- Since inception, CFCs have been provided with $6.2 million in non-repayable capital funding, $2.5 by the federal government and $3.7 million by the GNWT.
- In addition, the BDIC has loaned $1.3 million to Commmunity Futures Organizations.
- CFCs approved ninety-seven loans totalling $3.6 million in the 2006-07 fiscal year.
- Average annual loan approvals over the five-year period ended March 31, 2007 were $3.5 million.
- Average size of loan was $37,000 for 2006-07.
- Over the five year period commencing April 1, 2002 to March 31, 2007 CFCs approved over five hundred loans totalling $17.5 million.
- Average size of loan over the five-year period was $33,000.
- Loan approvals were down by 15% from the prior year both in number and dollar value. This can be attributed to less demand in the larger centers where higher paying job opportunities are more prevalent.
- The Dehcho and Sahtu Regions experienced the largest increase in lending activity.
- Indian and Northern Affairs Canada (INAC) has allocated $2 million for capital funding of CFCs under the Strategic Investment in Northern Economic Development initiative.

***Note: This Report was prepared from information provided by independent Community Futures Organizations (CFO) as well as other available data. The presentation of the financial data in this Report involved the use estimates and assumptions; actual results could differ from these estimates.***

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# INTRODUCTION

This Report provides a synopsis of the operations of Community Futures Corporations (CFC) in the Northwest Territories (NWT).

These organizations operate independently of Government as community-based, non-profit organizations supporting community economic development and economic diversification through the creation and expansion of small and medium sized enterprises and by creating and maintaining employment opportunities in NWT communities.

CFCs are overseen by volunteer Boards of Directors representing the communities served by each respective organization. Annual funding for the Community Futures Program is obtained through contributions from the Government of the Northwest Territories.

CFCs offer northern businesses a wide array of services including: term loans up to $150,000, small business counseling services (including referrals) and entrepreneurial training. CFCs deliver the Self Employment Option Program on behalf of the GNWT's Department of Education, Culture and Employment, provide access to Canada Business NWT internet sites and business information services and other services as warranted by the needs of local business.

The Community Futures Program was part of a major effort by the Government of Canada to provide financial assistance in areas experiencing significant economic downturn due to loss of industry. Funding was provided by Human Resources Canada.

The first CFCs in the NWT were established in Hay River in 1987 - in response to the closure of the Pine Point mine, and in Inuvik in 1988 - following the closure of the military base and downturn in the oil and gas exploration activity.

In fiscal year 1993/1994, the Federal Government transferred responsibility for Community Futures to regional economic development agencies in southern Canada. In the NWT, the Community Futures Program was devolved to the GNWT.

While the Federal Government has made considerable financial contributions to the expansion of Community Futures Programs in southern Canada, this has not been the case in the North.

Since 2000, the GNWT has solely funded the addition of five new organizations. As a result, all thirty-three NWT communities now have access to the Community Futures Program. The seven organizations that offer the community futures programs in the NWT are:

1. Akaitcho Business Development Centre (ABDC) - Yellowknife
2. Tli Cho Nek'e Business Development Centre (aka: Dogrib Area Community Futures - DACF) – Behchoko
3. Deh Cho Business Development Centre (DBDC) – Fort Simpson
4. Sahtu Business Development Centre (SBDC) – Norman Wells
5. Thebacha Business Development Centre (TBDC)
6. Western Arctic Business Development Services (WABDS)- Inuvik
7. Southwest Territorial Business Development Corporation (SWTBDC) – Hay River

Indian and Northern Affairs Canada (INAC) has allocated $2 million for capital funding of CFCs under the Strategic Investment in Northern Economic Development initiative. Negotiations are currently underway to determine an appropriate means for the allocation and administration of this funding.

Despite major challenges including high operating costs, limited operational and capital resources, the isolation of NWT communities, and a shortage of qualified workers, CFCs in the NWT have been remarkably successful in meeting the needs of small business. They are viewed by the GNWT as a vital component in the economic development of the Territory.

# OPERATIONS OVERVIEW

The Department of Industry, Tourism and Investment (ITI) provides contribution funding to cover operating costs of CFCs. In 2007 ITI made available $1,144,125 for this purpose, up from the $907,875 available in the previous fiscal year.

Capital funding of $7.5 million was provided by:

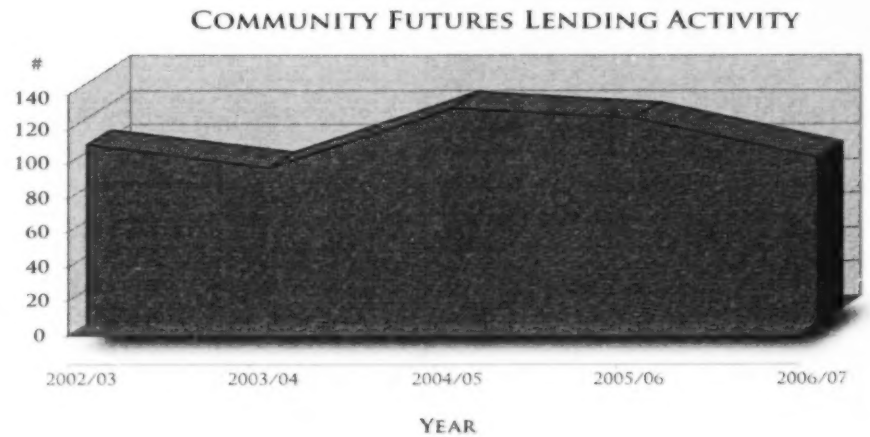
i. the Federal Government, prior to devolving CFCs to the GNWT, $2.5 million in non-repayable contributions,

ii. the GNWT, since assuming responsibility for CFCs, $3.7 million in non-repayable capital funding, and

iii. the BDIC, $1.3 million in repayable term loans.

Over 500 loans, approximately 100 per year, totalling in excess of $17.5 million, were approved over the five-year period from 2002 to 2007.

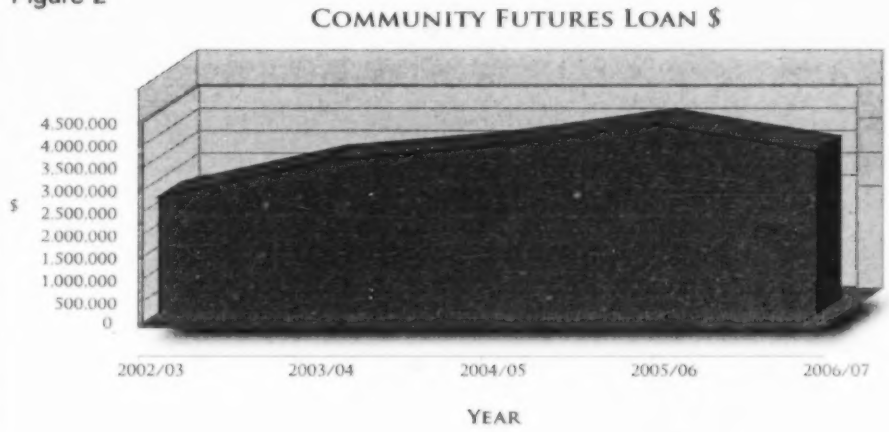
Figure 1



It is interesting to note that although overall loan activity was relatively constant in recent years, in terms of the number of loans approved, the two organizations in the larger centres experienced significant declines. This can be attributed to less demand in the larger centres where higher paying job opportunities are more prevalent and people are less inclined to start new businesses.

The total CFC Investment Fund stood at $10.3 million at March 31, 2007, comprised of $2.4 million cash available for lending and $7.9 million in outstanding loans. The provision for doubtful and bad loans was $1.6 million or 16% of the total portfolio.

Figure 2




CFC loan approvals totalled $3.6 million in 2007, 15% less than in 2006 when $4.2 million loans were approved. As illustrated in Figure 2 above, over the five-year period commencing in 2002 and ending in 2007, $17.5 million in loans were approved, an average annual total of $3.5 million.

# OTHER SERVICES

In addition to direct financial assistance, CFCs offer a wide range of services to the NWT business community. Services available through the various locations include:

- Access to Business Canada – NWT Service Centers via the Internet for access to accurate, timely and relevant information for businesses.
- Self-Employment Options Program – An HRDC program now funded through the GNWT's Department of Education Culture and Employment. This Program enables eligible individuals to continue receiving Employment Insurance while starting and establishing a small business.
- Video Conferencing - Large wide screen LCD televisions and high tech cameras enable CFCs to offer interactive business training. The equipment is connected to Business Link in Edmonton where information sessions on topics such as Internet Security, Small Business Search Engine Marketing, Preparing a Business Plan, Trademark Basics and Cashing In and Cashing Out are offered at regular intervals. The equipment can also be used as a cost effective way to conduct interviews, meetings and make presentations to attendees in other communities.
- Economic Development Officers – ITI provides the funding for regional economic development officers to deliver services related to economic development from CFC offices.
- Entrepreneurial Training – is provided through regional workshops on such topics as How to Start a Business, How to Write a Business Plan and Bid Tendering. In addition, information sessions are held with professions representing the legal and accounting fields.
- Advice and Consultation on Community Economic Development – CFC staff are professionals with considerable experience in economic development. They provide a valuable resource for community leaders determining the direction of economic development in their communities.

# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**AKAITCHO BUSINESS DEVELOPMENT CORPORATION**
P.O. Box 427, Yellowknife, NT X1A 2N3
Tel: (867) 920-2502, Fax: (867) 920-0363
E-mail: akaitcho@ssimicro.com, rstarnau@ssimicro.com

| | |
|---|---|
| **Communities Served:** | Yellowknife, Ndilo and Dettah |
| **Population of Service Area** | 19,000 |
| **Capitalization** | $1,567,500 |
| **Services Provided** | Commercial Lending<br>Canada Business-NWT Access Site<br>Business Information and Skills Development<br>Small Business Counseling<br>Monitoring and Aftercare Services<br>Assistance with Writing Business Plans<br>Assistance with Applications to Funding Agencies<br>Self-Employment Options Program |
| **Staff** | Raymond St. Arnaud General Manager<br>Ann Jones Senior Business Analyst<br>Tanya Kidston Business Analyst |
| **Incorporated** | Not-for-profit Corporation, *Canada Business Corporations Act* |
| **Board** | Seven Member Board, volunteer based<br>Chair: Darrell Beaulieu<br>Secretary-Treasurer Shirley Tsetta<br>Director Eitan Dehtiar<br>Director Jonas Sangris<br>Director Roy Erasmus Jr<br>Director Jackie Hall<br>Director Steve Meister |

Designated as Aboriginal Capital Corporation by the Government of Canada

# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**DOGRIB AREA COMMUNITY FUTURES**
P.O. Box 312, Rae, NT X0E 0Y0
Tel: (867) 392-6875, Fax: (867) 392-6322
E-mail: dacf@arcticdata.ca

| | |
|---|---|
| **Communities Served:** | Rae-Edzo, Wha Ti, Gameti and Wekweti |
| **Population of Service Area** | 3,000 |
| **Capitalization** | $367,500 |
| **Services Provided** | Commercial Lending<br>Canada Business-NWT Access Site |
| **Staff** | General Manager Vacant |
| **Incorporated** | *Societies Act* of the Northwest Territories |
| **Board** | Chair: Alex Nitsiza<br>Not available |

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# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**DEH CHO BUSINESS DEVELOPMENT CENTRE**
P.O. Box 240, Fort Simpson, NT X0E 0N0
Tel: (867) 695-2441, Fax: (867) 695-2052
E-mail: cjtodd@cancom.net

| | | |
|---|---|---|
| **Communities Served:** | Fort Simpson, Fort Liard, Jean Marie River, Nahanni Butte, Wrigley and Trout Lake | |
| **Population of Service Area** | 3,100 | |
| **Capitalization** | $892,500 | |
| **Services Provided** | Commercial Lending<br>Small Business Resource Centre<br>Video Conferencing<br>Self-Employment Options Program | |
| **Staff** | Todd Noseworthy | General Manager |
| | Sean Whelly | Economic Development Officer |
| | Patricia Duncan | Business Development Officer |
| **Incorporated** | Not-for-profit Corporation, *Canada Business Corporations Act* | |
| **Board** | Seven Member Board, volunteer based | |
| | Chair: | John Hazenberg |
| | Secretary-Treasurer | Tim McClelland |
| | Director | George Tsetso |
| | Director | Dolphus Jumbo |
| | Director | Yvonne Norwegian |
| | Director | Eva Hope |
| | Director | Michael Neyelle |

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# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**SAHTU BUSINESS DEVELOPMENT CENTRE**
P.O. Box 174, Norman Wells, NT X0E 0V0
Tel: (867) 587-2016, Fax: (867) 587-2407
E-mail: exec.dir.sbdc@theedge.ca

| | |
|---|---|
| **Communities Served:** | Norman Wells, Tulit'a, Deline, Colville Lake and Fort Good Hope |
| **Population of Service Area** | 2,600 |
| **Capitalization** | $1,350,000 |
| **Services Provided** | Commercial Lending<br>Canada Business-NWT Access Site |
| **Staff** | Harold McGregor – General Manager |
| **Board** | Seven Member Board, volunteer based<br>Chair: Tanya McCauley<br>Secretary-Treasurer Vacant<br>Director Lucy Jackson<br>Director Trudy Kochon<br>Director Mark Modeste<br>Director Sally-Ann Horassi<br>Director Pauli Chinna |

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# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**THEBACHA BUSINESS DEVELOPMENT CENTRE**
P.O. Box 25, Fort Smith, NT X0E 0P0
Tel: (867) 872-2795, Fax: (867) 872-2824
E-mail: tbds@gardtal.com

| | |
|---|---|
| **Communities Served:** | Ft. Smith, Lutsel Ke and Fort Resolution |
| **Population of Service Area** | 3,300 |
| **Capitalization** | $585,000 |
| **Services Provided** | Commercial Lending<br>Small Business Resource Centre<br>Video Conferencing<br>Self-Employment Options Program |
| **Staff** | Westly Steed – General Manager |
| **Incorporated** | Not-for-profit Corporation, *Canada Business Corporations Act* |
| **Board** | Six Member Board, volunteer based<br>Chair: Alan Schaefer<br>Co-Chair Tom Lockhart<br>Director Earl Jacobson<br>Director Arthur Beck<br>Director Barkley Heron<br>Director Raymond Simon |

# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**WESTERN ARCTIC BUSINESS DEVELOPMENT SERVICES**
2nd Floor Mack Travel Building, P.O. Box 2360 Inuvik, NT X0E 0T0
Tel: (867) 777-2836, Fax: (867) 777-3470, 1-800-244-1203
E-mail: wabds@permafrost.com

| | |
|---|---|
| **Communities Served:** | Inuvik, Tuktoyaktuk, Aklavik, Fort McPherson, Paulatuk, Holman and Tsiighetchic |
| **Population of Service Area** | 6,750 |
| **Capitalization** | $1,200,000 |
| **Services Provided** | Commercial Lending<br>Small Business Counseling and Advisory Services<br>Entrepreneurial Training<br>Business Canada –NWT Site<br>Video Conferencing<br>Self-Employment Options Program |
| **Staff** | Brent Kay – General Manager<br>Ron Rogers-Loans Officer |
| **Incorporated** | Non-Profit Society-*Societies Act* NWT |
| **Board** | Seven Member Board, volunteer based<br>Chair: Tom Lie<br>Vice-Chair Terry Dubilowski<br>Secretary Treasurer Al Rice<br>Director Clarence Wood<br>Director Jen Hinze<br>Director Jake Heron<br>Director Vacant<br>Ex-officio Don Craik |

# NWT COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

**SOUTHWEST TERRITORIAL BUSINESS DEVELOPMENT CORPORATION**
Suite #7, 6 Courtoreille St., Hay River, NT X0E 1J2
Tel: (867) 874-2510, Fax: (867) 874-3255
E-mail: xjeffgr@yahoo.com

| | | |
|---|---|---|
| **Communities Served:** | Hay River, Enterprise and Katlodeechee First Nation (Hay River Reserve) | |
| **Population of Service Area** | 4,100 | |
| **Capitalization** | $1,550,000 | |
| **Services Provided** | Commercial Lending<br>Canada Business-NWT Site | |
| **Staff** | Jeff Griffiths – General Manager | |
| **Board** | Chair | Mike Maher |
| | Director | Sharon Dragon |
| | Director | Bonnie Webb |
| | Director | Derek Aindow |